



Minnesota Economic Update

August 19, 2016

Summary

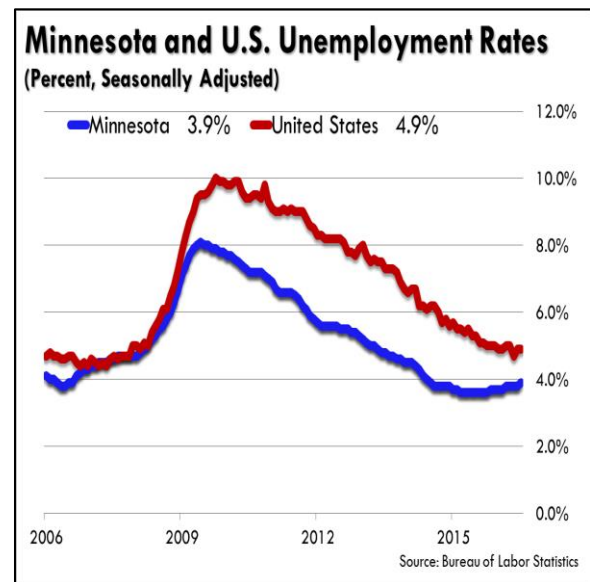
Nonfarm payroll employment in Minnesota increased by 11,300 jobs and the unemployment rate rose to 3.9 percent in July according to data released by the Bureau of Labor Statistics (BLS).

Minnesota Unemployment Rate

During July, the unemployment rate in Minnesota increased by 0.1 percentage point to 3.9 percent. The number of people counted as unemployed rose by 1,855 in July to 118,612, while the labor force fell by 22,528 to 3,021,639. Among the 50 states and the District of Columbia, 9 posted lower unemployment rates for the month than Minnesota. A year earlier, the unemployment rate in Minnesota stood at 3.6 percent.

The 10-year peak for the unemployment rate in Minnesota was 8.1 percent in June 2009. The series high for the unemployment rate in Minnesota occurred in January 1983 when the unemployment rate reached 8.9 percent. The 10-year low for the unemployment rate in Minnesota was 3.6 percent in October 2015. The series low for the unemployment rate in Minnesota occurred in March 1999 when the unemployment rate reached 2.5 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in July. July's unemployment rate was 0.4 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Minnesota Payroll Employment

Minnesota nonfarm payrolls increased by 11,300 jobs, or 0.39 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 9,700. Over the past 12 months nonfarm payrolls in Minnesota increased by 42,200, or 1.48 percent. Minnesota nonfarm payroll employment has increased in 8 of the past 12 months.

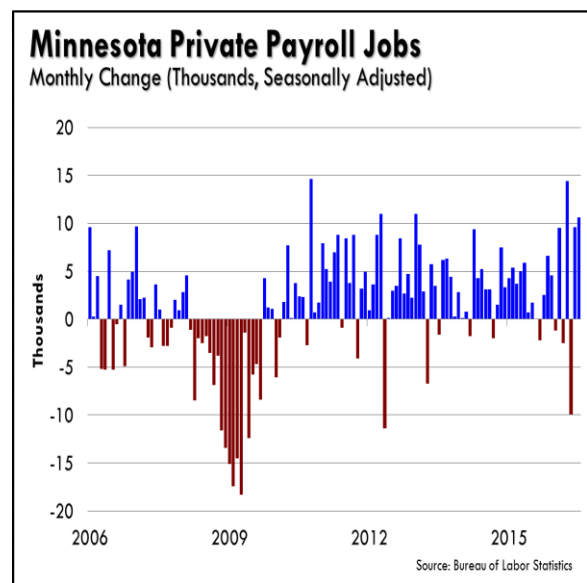
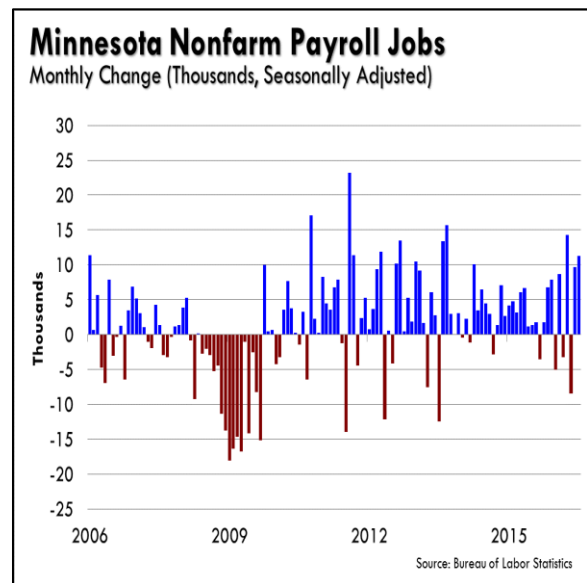
Nationally, nonfarm payrolls increased by 255,000 jobs in July, or 0.18 percent. Over the 12-month period ending July 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Minnesota ranks 24th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During July, Minnesota private sector payrolls increased by 10,600, or 0.43 percent. Private sector payrolls increased by 9,600 jobs in the prior month. Over the past 12 months, private sector payrolls in Minnesota increased by 42,000, or 1.72 percent. Minnesota private sector payroll employment has increased in 7 of the past 12 months.

Nationally private-sector payroll jobs increased by 217,000 jobs in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,293,000 jobs in the private sector, an increase of 1.91 percent. Minnesota ranks 24th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During July, total government payroll employment in Minnesota increased by 700, or 0.17 percent. Federal government payroll employment was unchanged. State government payroll employment increased by 700, or 0.69 percent, while local government payroll employment was unchanged.

Over the past year, total government payroll employment increased by 200, or 0.05 percent. State government payroll employment increased by 600, or 0.59 percent. Local government payroll employment declined by 800, or 0.28 percent.



The best performing sectors on a seasonally adjusted basis during July were Leisure & Hospitality (+3,400) and Trade, Transportation & Utilities (+2,100). The poorest performing sectors during the month were Manufacturing (-200) and Mining & Logging (unchanged).

The best performing sectors during the last twelve months were Educational & Health Services (+21,600) and Leisure & Hospitality (+8,900). The poorest performing sectors during the last twelve months were Mining & Logging (-1,300) and Information (-1,100).

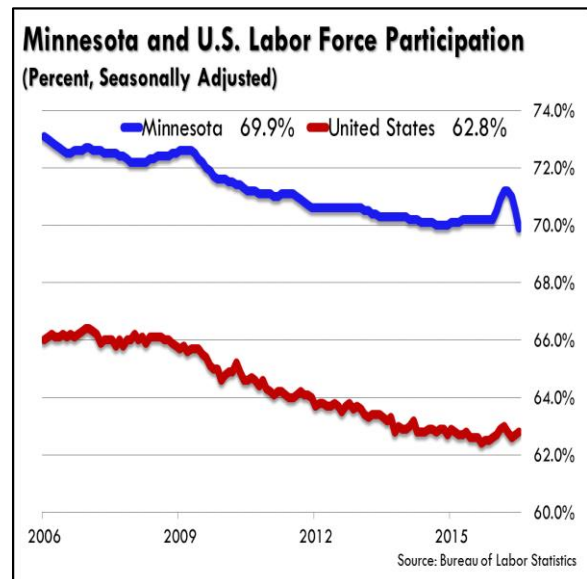
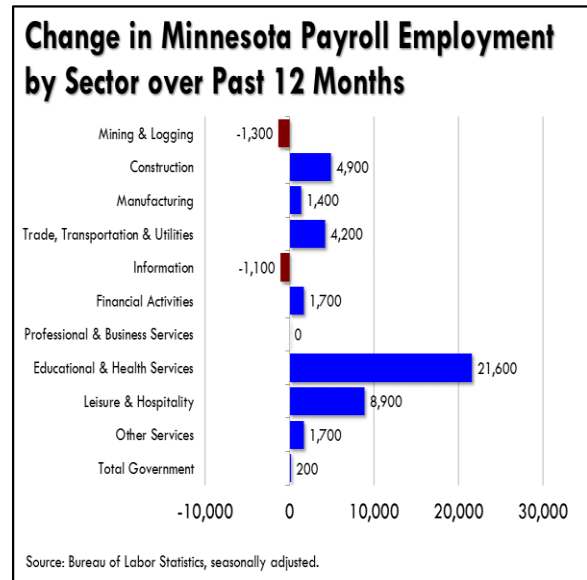
Other Minnesota Labor Force Statistics

The labor force participation rate in Minnesota declined to 69.9 percent in July from 70.5 percent the prior month. At 69.9 percent, Minnesota has one of the five highest labor force participation rates in the nation. The labor force participation rate in Minnesota is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Minnesota was 72.7 percent in January 2007. The series high for the labor force participation rate in Minnesota occurred in February 2001 when the labor force participation rate hit 75.6 percent. The 10-year low for the labor force participation rate was 69.9 percent in July 2016. The series low for the labor force participation rate occurred in April 1976 when the labor force participation rate hit 65.5 percent.

The national labor force participation rate rose by 0.1 percentage point to 62.8 percent in July, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Minnesota civilian noninstitutionalized population 16 years and older counted as employed, declined to 67.2 percent in July from 67.8 percent the prior month. At 67.2 percent, Minnesota has one of the five highest employment-to-population ratios in the nation. The employment-to-population ratio in Minnesota is 0.5 percentage point lower than a year earlier.



The 10-year high for the employment-to-population ratio in Minnesota was 69.7 percent in August 2006. The series high for the employment-to-population ratio in Minnesota occurred in April 2000 when the employment-to-population ratio hit 73.1 percent. The 10-year low for the employment-to-population ratio was 66.0 percent in October 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 61.4 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.7 percent in July. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on September 20, 2016. The national employment situation report for August will be released on Friday, September 2, 2016.

